



PA 22-56—sHB 5331
General Law Committee

AN ACT CONCERNING THE LIQUOR CONTROL ACT AND RELATED STATUTES

SUMMARY: This act makes various changes in the Liquor Control Act. Specifically, it does the following:

1. establishes a new festival permit for all manufacturers of alcoholic liquor (e.g., spirits, wine, and beer) and eliminates prior law’s wine festival permits (§§ 1-5 & 10);
2. allows beer manufacturers and certain Connecticut craft cafe permittees to sell beer brewed in collaboration with another beer manufacturer (e.g., sharing a recipe or providing at least 49% of the ingredients or labor) (§§ 6 & 7); and
3. requires water pollution control authorities (WPCAs) to disregard the volume of water that beer manufacturer permittees consumed when establishing or revising sewer charges (§ 9).

The act also makes various technical and conforming changes.

EFFECTIVE DATE: Upon passage, except the sewer charges provision is effective October 1, 2022, and applicable to assessment years beginning on or after that date.

§§ 1-5 & 10 — FESTIVAL PERMIT

The act replaces prior law’s wine festival permits with a new festival permit for all alcoholic liquor manufacturers. The new permit allows a festival sponsor to organize and sponsor a festival in Connecticut by inviting eligible manufacturers to participate for up to four consecutive days. But the act also allows a municipality to prohibit festivals by ordinance or zoning regulation. The fee for a festival permit is \$75, which was the same fee under prior law for wine festival permits.

Under the act, a “festival sponsor” is an entity operating on a nonprofit basis in this state, including (1) an association, or its subsidiary, that promotes manufacturing and selling alcoholic liquor in Connecticut; (2) a civic organization; and (3) a Connecticut municipality. “Eligible manufacturers” are the holders of manufacturer permits for spirits; beer; a farm winery; or wine, cider, and mead.

Fire and Zoning

The act prohibits the Department of Consumer Protection (DCP) commissioner from issuing a permit unless the festival sponsor has the approvals required under local fire and zoning regulations.

Disclosures

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The act requires the festival sponsor to disclose all restrictions or limitations for admission to each person who purchases admission. The disclosure must occur at the time of purchase and include the maximum number of alcoholic drinks to which the person is entitled.

Sales and Shipping

The act allows any eligible manufacturer to participate in a festival organized and sponsored by a festival sponsor that invites it to participate. During the festival, the manufacturers may offer free or paid samples or tastings of alcoholic liquor for consumption on the festival premises, subject to their applicable permit limitations (e.g., up to two ounces of spirits per patron per day). Also, unless the manufacturer is an out-of-state shipper's permittee for beer, it may:

1. sell and directly ship alcoholic liquor to festival visitors that the manufacturer sells to them at the festival if allowed under its permit;
2. sell, at retail, bottles and other sealed containers of alcoholic liquor for consumption off the festival premises, subject to its permit limitations (e.g., three liters of spirits per day and nine gallons of beer per day); and
3. sell, at retail, alcoholic liquor by the glass or receptacle for consumption on the festival premises, so long as each glass or receptacle is embossed or permanently labeled with the festival's name and date.

The act prohibits eligible manufacturers from giving, offering, or selling any alcoholic liquor that the manufacturer did not manufacture.

Municipal Options

The act allows municipalities to prohibit these festivals by ordinance or zoning regulation. It similarly allows their ordinances or zoning regulations to require that festival sponsors ensure that:

1. restrooms or enclosed portable toilets are available either on or near the festival premises and
2. food is available for consumption on the festival premises during all operating hours; but no ordinance or zoning regulation may require a food purchase with an alcoholic beverage.

The act also allows municipalities, by vote of a town meeting or by ordinance, to reduce the number of hours when retail sales, tastings, or samples may occur (see *Hours*, below).

Placarding and Remonstrance

By law, alcoholic liquor permit applicants must generally give notice of a new permit in the newspaper and place placards visible from the road that include certain information, such as the business's name and location. Additionally, any 10 individuals who are at least age 18 may file a remonstrance (i.e., protest) with DCP about an applicant's suitability or proposed location, and DCP must then hold a

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hearing. The act exempts festival sponsors and festival permittees from (1) notice and placard requirements and (2) remonstrances.

Holding Two Permits

The act also allows a festival permittee to be a holder or backer of one or more other classes of permits. By law, permittees of one class are not allowed to be a permittee of another class unless an exception is made (CGS § 30-48(a)).

Hours

The act sets the hours that a festival permittee may sell or provide samples or tastings as follows: between 8:00 a.m. and 10:00 p.m. on Monday through Saturday and between 10:00 a.m. and 6:00 p.m. on Sunday.

§§ 6 & 7 — COLLABORATIVE BEER

The act allows a manufacturer permittee for beer, or a Connecticut craft cafe permittee who is also a manufacturer permittee for beer, to sell at retail beer brewed in collaboration with another beer manufacturer for on- or off-premises consumption. Craft cafe permittees may do so only if they sell one brand of the beer from their premises at a time.

Under the act, “collaboration” is an arrangement, other than contract brewing or an alternating proprietorship, where a beer manufacturer works with at least one other beer manufacturer by, among other things, sharing the beer recipe or at least 49% of the ingredients or labor needed to manufacture the beer.

Prior law generally prohibited Connecticut craft cafe permittees from purchasing the same type of alcoholic liquor they manufacture. The act allows these permittees that also hold a manufacturer beer permit to purchase the beer they manufacture in collaboration with another beer manufacturer permittee from that permittee. But, as under existing law, the beer cannot be more than 20% of the craft cafe permittee’s gross annual sales for on-premises consumption.

§ 9 — WPCA CHARGES

By law, a WPCA may establish and revise fair and reasonable charges for connecting with and using a sewerage system. When setting these charges for assessment years beginning on or after October 1, 2022, the act prohibits WPCAs from considering the volume of water consumed by holders of manufacturer permits for beer.

By law and unchanged by the act, WPCAs may consider other factors related to the kind, quality, and extent of use of properties when setting these charges (e.g., building size, number of plumbing fixtures and people using the property, and quality and character of discharge material). A WPCA may also have minimum charges to connect with and use a sewerage system.